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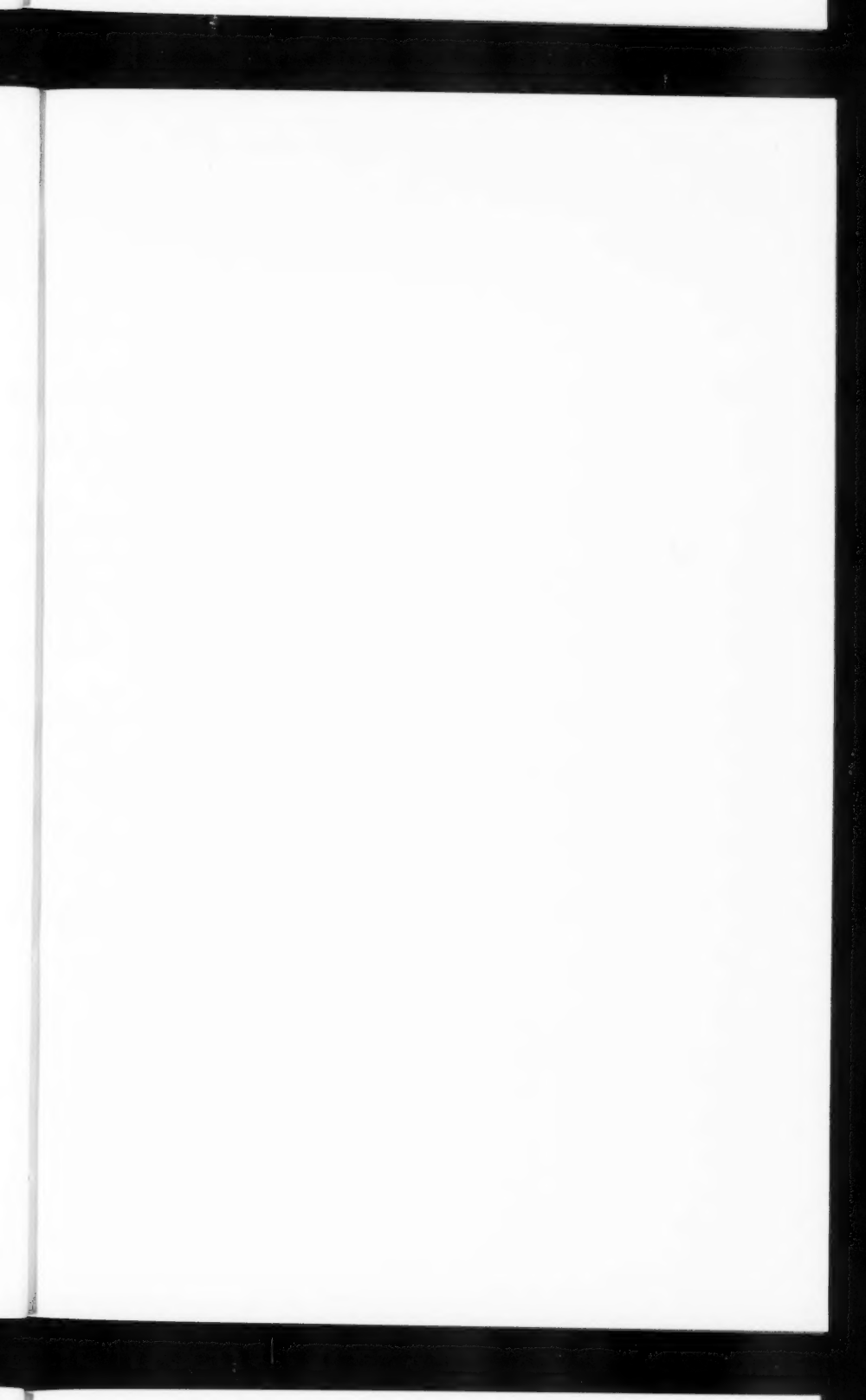
**A Record of
Half a Century
in the
Accountancy Profession**

Published by
LYBRAND, ROSS BROS. & MONTGOMERY
Accountants and Auditors



*This issue of the
L. R. B. & M. Journal
is dedicated to
T. Edward Ross,
one of the Founders of
the firm of
Lybrand, Ross Bros. & Montgomery*







T. EDWARD ROSS

A RECORD OF
HALF A CENTURY
IN THE
ACCOUNTANCY PROFESSION



Privately Printed
LYBRAND, ROSS BROS. & MONTGOMERY

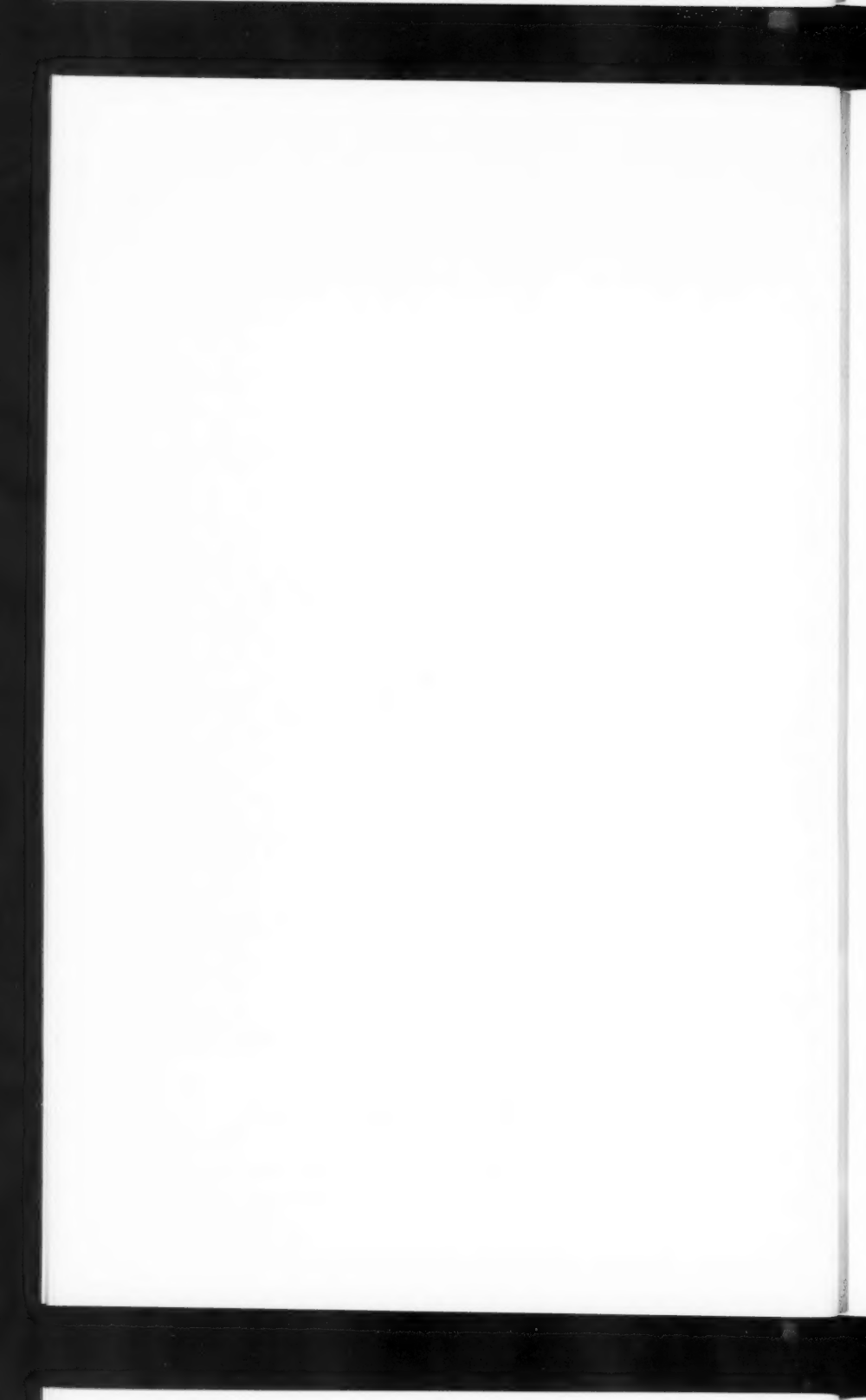


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Random Recollections of an Eventful Half Century

By T. EDWARD ROSS

The writer began his career in public accountancy in a very minor capacity on January 26th, 1887, in the office of John Heins, one of the pioneer public accountants in Philadelphia, and has been connected with the profession continuously since that date. The Editor of this JOURNAL, in his search for copy, has seized upon this circumstance, and has suggested that it is an auspicious time for an article from me. He has assumed that anyone who has been exposed to accountancy for such a length of time should have acquired some knowledge and experience that should be committed to paper for the edification of the younger members of our organization. If the Editor had been privileged to work under our old Chief, he would have taken to heart the admonition frequently given to those who were being sent out on an assignment, "Don't assume anything."

It might be thought that there would be no lack of material for one to write about concerning a period during which public accounting as a profession has grown from a small seedling to a lusty tree, but the writings and addresses by Mr. Walter A. Staub, the late George Wilkinson, and many others leave little to be added to the record. Furthermore,

the present year will witness the celebrations of the fortieth anniversary of the Pennsylvania Institute of Certified Public Accountants and the fiftieth anniversary of the American Institute of Accountants, which, together with the celebration last year by the New York State Society of the fortieth anniversary of the passage of the first C. P. A. law, should result in comprehensive treatment of accountancy's history in this country. Then, also, our firm's fortieth anniversary occurs on January 1st, 1938, when its history will be brought up to date. These considerations necessarily limit the scope of this article materially, although reference will be made in a more or less general way to the principal aspects of the growth and development of accountancy and the participation of the members of our own organization therein.

The past half century has been a most eventful one in all parts of the world and in all walks of life. Great political upheavals have taken place among the nations. Vast social changes have occurred and the end is not yet. It has been an age of scientific achievement and of revolution in transportation, industry, finance, and in countless other directions. In it the greatest war of his-

tory has been fought. The population of the United States has doubled in this period. We are confronted with more difficult and varied problems than ever before. We are, indeed, far removed from the conditions which prevailed before the "gay nineties."

Philadelphia in the "Eighties"

While Philadelphia has a reputation for conservatism, there have been a few innovations since 1887. We look in vain for the cobble-stone paving in the streets, or for the horse cars with the floor carpeted with straw or hay in the winter time. There were cable cars in Market Street and Columbia Avenue, which were looked upon as being a great advance in transportation, but in winter the slots were often clogged with snow and ice, and, at times, the cable grip became locked, so that the car had to keep going till the cable was stopped or a collision resulted. The hansom cabs have disappeared from the stands at the railroad stations, and the high-wheeled bicycles, with their solid rubber tires, have been relegated to the Museum of the Franklin Institute or to oblivion. Transportation has since been speeded up, for the Pennsylvania Railroad advertised that its limited train of Palace Pullman Cars made the trip between New York and Chicago in the amazing time of 25 hours, a run now made in 16½ hours. The newspapers carried advertisements of fast steamships to and from Europe,

which made the crossing in from seven to nine days. The automobile was yet in the future and more than twelve years were to elapse before they were admitted to certain roads in Fairmount Park.

In 1887 and for many years thereafter, the financial institutions of the City, with a few exceptions, were in the vicinity of Chestnut and Walnut Streets between Second and Sixth Streets.

A new modern office building was begun in October, 1886, and completed in 1887. It was eight stories in height and had four elevators! On the top floor was a restaurant under the direction of the renowned hotel man, George C. Boldt, where a table d'hôte luncheon was served for fifty cents. This feature had only an academic interest to the majority of our staff. At the Model Coffee House or Thompson's Spa a youth's appetite could be stayed, if not appeased, for the sum of fifteen cents.

The City was lighted in part by gas, partly by electricity with arc lamps, and partly by naphtha lamps. Mantles for the latter were not installed until 1902, and for gas lamps until 1913 or 1914. Incandescent electric lights supplanted the arc lights between 1923 and 1927.

What has always seemed to me an unusual event occurred during my earliest days in Philadelphia. My brother and I, aged 16 and 18, respectively, had come to the big City in 1885. We lived in different sections of the City and as our hours of labor

were long, we seldom saw each other except on Sundays. Much to our surprise, a young attorney, a member of the Y. M. C. A., called upon us. In some way he had learned of us and said he understood our affiliations were with the Episcopal Church. He invited us to make use of his pew in a prominent Church of the denomination, situated in the City's most exclusive section. He also introduced us to the teacher of the young men's class in the Sunday School, most of whose members were students at the University of Pennsylvania.

A change of occupation took me to the suburbs for about a year, so that this connection was soon broken, but the leader of the Bible Class continued as a good friend until his death, and at one time stepped in to save the life of a member of the family after the attending physician told us he could hold out no hope of recovery.

Whenever I hear criticisms of Philadelphia's reserve, I think of the kindness shown to a couple of lads who were making their first contacts away from home in a strange city. And this was by no means an isolated instance. One can easily recall that in the days when our young firm was struggling to secure a foothold and clients were few, men prominent in law, finance and industry went out of their way to give encouragement and help.

When one has occasion to refer to copies of the newspapers of 1887, he is struck with the absence of scream-

ing headlines and illustrations. The captions in the staid *Public Ledger* were in small type, and local items frequently followed one another in paragraphs without headings. Advertisements, including those of the large department stores, were printed in single columns with very little spacing between them. Considerable space was devoted to the advertisement of letters in the post office which had not been claimed.

Among the news items of the early months of 1887 were those concerning the election of Matthew S. Quay to the United States Senate, a bill in the Senate to create an Interstate Commerce Commission, the ever-present pension bills, an antipolygamy bill in the House, the consideration in secret session in the Senate of a Nicaraguan Canal, the horrors of evictions in Ireland, war talk in Europe, the Louisiana State lottery, a company just organized to manufacture ice in Augusta, Georgia, the new art of electric welding, experiments with submarines, etc. Those familiar with the capitol scandal of Pennsylvania in later years would be interested in the following item in reference to talk of building a new capitol:

It is a good thing to go to Albany, because there is in that city an awful example of incompetence and extravagance which Pennsylvania should avoid following.

Well, years later we showed the New Yorkers something, such as the purchase of furniture by the cubic

foot and leaded chandeliers by the pound.

The cigarette had not then reached the degree of present-day popularity, and was more or less under suspicion, as evidenced by an extract from a letter to The Editor:

Daily we see boys of six or eight years smoking the filthy weeds, which, as we all know, are largely composed of the disgusting cast-off stumps of cigars which are picked from the streets, and which, in addition to their filth, too often contain the germs of disease.

A great deal of industrial unrest was recorded, the year 1886 having been "pre-eminently a 'strike,' 'boy-cott' and riot year."

One desiring entertainment learned from the advertisements that he could go to see "The Black Crook," "The Little Tycoon," or perchance a play in which Mrs. Langtry was appearing. Or he might attend a lecture by Henry Ward Beecher, or listen to Russell H. Conwell, who was paving the way for Temple University with his celebrated lecture, "Acres of Diamonds," the proceeds from which were devoted to helping young men and women to acquire an education. Patti might also be heard in one of her numerous "farewell" concerts.

If one's taste lay in the direction of sport, he might go to one of the six-day "go-as-you-please" matches which were so popular at that time, four or five being staged in a single year. But the reader of today would miss the sporting section in the daily papers. On the whole, sport was not

regarded with so much favor in those days. Prize-fights had to be pulled off in out-of-the-way places to prevent interference by the authorities, instead of being staged in a municipal stadium or a centrally located arena, with the blessing of a state boxing commission. In many quarters all sports were regarded as a useless waste of time. I recall that several times during my apprenticeship I was warned that "baseball has ruined more young men than rum." I have often wondered what the reaction would have been to golf. The St. Andrew's Club near New York is said to have installed a "nineteenth hole" under the famous apple tree when first the Club was organized and it had only six holes, and some time before it had a club house. But I doubt if Mr. Heins ever knew much about the game, as the first nine-hole course in Philadelphia was laid out in 1893 and the game did not acquire much momentum 'till after the turn of the century. If he ever did call up a client and was told that "Mr. Blank has gone for the day," he probably failed to grasp the significance of the information. He would have been scandalized at the attitude expressed by Grantland Rice:

Boy, if the phone should ring
Or anyone should call;
Whisper that this is Spring,
to call again next Fall.
Say I have a date on a certain tee
Where my friends the sand traps wait
in glee;
Tell them the "Doc" has ordered me
to keep my eye on the ball.

There comes back to me the memory of a day in the Fall of 1890, when my brother and I obtained leave of absence in order to visit Washington. On our return I was informed by an older man on the staff that inquiry had been made as to the purpose of our visit, and he had explained that we had gone down with a group from the Y. M. C. A., which was quite true. When asked what usually took place at Y. M. C. A. gatherings, our friend drew on his imagination in describing the religious program for such occasions. We were very much disturbed on hearing this, fearing further investigation, not so much that we wanted the matter kept secret, but we did not want to compromise our friend on the one hand or strain our conscience on the other. One of the outstanding features of the meeting in question had been the breaking of the world's record for 100 yards by John Owen, Jr., of Detroit, in $9 \frac{4}{5}$ seconds, the first time in which the distance had been run under 10 seconds. There were other items of interest at this championship meeting of the Amateur Athletic Union, but none, so far as I can recall, of religious import. It was quite interesting to me, many years later, to meet in a business conference one of the four men who ran in the final heat of that race; and, again, to learn that another was a client of our firm.

Devotion to duty was instilled into us, a favorite saying being, "A man's first thought should be of his busi-

ness." So when my brother and I started out one morning into what became known as the Blizzard of 1888, and found no street cars running, we had no other thought in mind than "business as usual." We had experienced real snowstorms in Canada, anyway, and it did not occur to us that all rules might be suspended under the circumstances. We found Mr. Heins, who lived down town, the sole occupant of the office and much surprised at our arrival. The homeward journey in the afternoon facing the driving snow was more arduous, and we were glad at last to reach shelter.

The deference paid in those days to the "Gods of the Copy-book Headings" was not without its effect upon us, and it was good for our souls that we were in an office where standards and discipline were maintained.

The facilities for communication of that day would be regarded now as extremely inadequate. When one can sit in his home and listen to a sovereign's Christmas greetings to the people of his empire in all parts of the globe, or when he can talk to a friend in London or Melbourne or Tokio, or on the high seas, it is hard to believe that only fifty years ago the telephone was just coming into general use. On January 1, 1887, there were only 2,545 telephones in Philadelphia. The office in which I first worked had none. Communication was conducted by letter or by personal calls. I have a lively recollection of certain occasions when a re-

port was in the throes of preparation in the office, and it was discovered that some essential information was needed. One of us would be dispatched in haste to the client's office, and shortly more data would be needed, and a second courier would be on his way. Quite possibly the first Mercury on his way back would meet a third seeker after truth. When the telephone was at last installed this custom was not entirely discontinued.

Traveling Experiences

During those early years we saw quite a section of the Southern States, as an annual engagement took two groups of us there for the month of May. These two groups alternated from year to year between the four eastern and four western plants. The Civil War was still a vivid memory in the minds of the people and the marks of Sherman's shells on the Capitol in Columbia, S. C., and other traces of the conflict were still being pointed out to visitors. The country had not wholly adjusted itself to the new conditions, and while hotels in some of the cities were fair, in others the guests were likely to agree with Horace Greeley, who after a visit had stated that what the South most needed was twenty thousand cooks.

Even a new hotel at one point, which had been erected with winter guests in mind, allowed its service to deteriorate after the winter season was over, and on at least one occasion when poached eggs were ordered, the waiter kindly suggested that they be

cooked by some other method, as they "didn't poach none too good." Flies and roaches and certain other insects were sometimes much in evidence. One member of the staff felt he had learned to know them well enough to call them by their Latin names, and attention was frequently called to a particularly robust specimen of *Blatta occidentalis*.

In traveling through the South, the journey was interrupted at stated points for meals, there being no dining cars on the trains. Sometimes the stop was made at an obscure station, and we would turn out and stumble in the darkness in the direction from whence the sounds of a tom-tom were coming. It was important to get to the table or counter promptly, as in case of delay, one was likely to hear the conductor's warning before the final course had been reached.

Occasional epidemics of yellow fever still prevailed in parts of the South. On one occasion I was aroused at night on the train in order to undergo cross-examination by health officers. At other times we were delayed by floods and sometimes marooned far from any habitation. Travel in those days was somewhat more of an adventure than it is at present.

But the people whom we met were most kind and hospitable. On one occasion a Northern colonel was my senior, and he was royally treated, and given the promise that he would be introduced "to the man who put

that bullet in your leg." And, believe it or not, he was introduced to a Confederate who, it developed, had fought in the same battle directly opposite to him!

On one or two of these earlier trips it happened that the older man in charge had not been on the staff very long and had had little experience in public accounting. In such an event, before leaving headquarters, the junior would probably receive private instructions, that while the older man was nominally in charge, the junior would be expected to see to it that the audit was made in an effective manner. This arrangement gave the junior some scope for the exercise of diplomacy, and on one occasion resulted in the Junior being obliged to finish up the audit at one plant alone and to conduct the examination of another plant without supervision or assistance. In the latter instance when introduced as the auditor of the Company, the writer was greeted with the remark "very young for an auditor."

The fact is that there were not many older men who had had much experience in public accounting, and as a consequence the young men who had acquired a little experience under supervision were put in charge of important engagements when occasion arose. In going through some of my brother's effects after his death, I came across a letter written by the head of a bank in Washington, D. C., to Mr. Heins, in which he spoke highly of my brother's work in

reorganizing the system of accounts of the bank. On looking at the date of the letter I found that my brother was not of age at the time. At a later period in the early days of our present firm, an attorney wished Walter A. Staub to go to New York State to testify in bankruptcy proceedings. When the lawyer was told that the young man was not yet of age, he was quite astonished, and commented on the ability displayed in one so young.

The members of the staff today, thanks to the automobile, have not had some of our experiences, such as riding to a branch office in the caboose of a coal train and spending the night in a miner's cabin.

Graduates of the Heins' School

Five of those who later became partners in our firm began their public accounting work in the office of John Heins. Before taking up public accounting, Mr. Heins had acquired experience while in charge of the accounts of the I. P. Morris Co. (later a department of The William Cramp & Sons Ship & Engine Building Company), American Dredging Company, and The Yale & Towne Manufacturing Company. He was a man of energy and had an ambition to render efficient service. In his work he displayed originality and sound judgment. As he had not had the advantages of training under a professional public accountant, and as there was little accountancy literature, I have often wondered at

his knowledge and methods which seemed to have been much in advance of his time. Among his clients were the Board of City Trusts (which includes the Girard Estate), and some of the larger financial and industrial institutions in and out of the city.

Adam A. Ross, Jr., was employed as office boy in November, 1886, at the age of seventeen. This position was of more importance than at present, as a typewriter had not been installed at that time, and the office boy who wrote a good hand made fair copies of the drafted reports and then took several impressions of them on thin paper. It required skill to get good impressions and at the same time avoid smearing the original. A failure in these respects was looked upon as a major offense. The office boy took over many duties of a secretary and his close association with his employer provided splendid training for him.

The writer began his duties under Mr. Heins at the age of nineteen. His business experience had included a somewhat limited contact with bookkeeping in connection with other activities in a small business house, and a year as secretary to a gentleman living near Philadelphia. This gentleman had written a large work on social science, and had worked intermittently on a Greek dictionary of the New Testament. It was not my privilege to participate in the production of the former work, but the latter occupied much of my time when other duties permitted. The careful com-

parison of definitions given in various works and the exercise of mature judgment in amending and amplifying the text of prior editors may have had a part in the preparation for my new occupation, which seemed to be much more mysterious than even the Greek.

My advent increased the number of employees temporarily to seven, including Mr. John Vaughan, a brother-in-law of Mr. Heins, who later established a practice of his own in Western Pennsylvania and became one of the fifteen charter members of the Pennsylvania Association of Public Accountants, and upon the passage of the C. P. A. law, was appointed a member of the State Board of Examiners.

William M. Lybrand joined the staff late in December, 1887. He had had experience with accounts, having been employed on the books of William B. Bement & Sons (later Bement, Miles & Co., and still later one of the companies merged into the Niles, Bement, Pond Company), and he soon earned the good opinion of Mr. Heins by his careful and intelligent work, and was rapidly advanced to a position of responsibility.

Robert H. Montgomery joined the organization in February, 1889, to take over the duties of office boy. With characteristic energy, he immediately began to learn all that might be known and to prepare for a position on the staff. His progress was rapid and he was soon in demand by the principals.

On July 1, 1889, Mr. Heins admitted to partnership Kingston G. Whelen, who had joined the staff in May of the prior year, the firm name being Heins & Whelen. Mr. Lybrand became a partner July 1, 1891, and a year later Adam A. and T. Edward Ross were admitted, the firm name being changed to Heins, Whelen, Lybrand & Co. Mr. Montgomery was made a partner January 1, 1896.

Mr. Whelen withdrew from the firm April 15, 1896, and the partnership name became Heins, Lybrand & Co.

Joseph M. Pugh became a member of the organization in October, 1892, and completed the roster of those who later on became members of our present firm.

Miss Lilian A. Ross entered the employ of Heins, Whelen, Lybrand & Co., in February, 1896, and has been with the firm of Lybrand, Ross Bros. & Montgomery since its formation.

It is remarkable that out of the group of six who were associated with John Heins and the successor partnerships, five are still living and active after a period extending from forty to fifty years.

The firm of Lybrand, Ross Bros. & Montgomery came into being on January 1, 1898, with William M. Lybrand, T. Edward Ross, Adam A. Ross and Robert H. Montgomery as partners. Joseph M. Pugh became the first member of the accounting staff and Miss Lilian A. Ross com-

bined the duties of secretary, typist and bookkeeper.

While the going was hard for the first few years, none of us has since doubted the wisdom of the step, notwithstanding our regret at leaving a man to whom we owed much of our training and who was possessed of so many fine traits.

Expansion of Accounting Service

During the last decade of the nineteenth century the practice of accountancy made definite advance, despite prejudice in many quarters. An illustration of the low estimate of the craft in the minds of certain people occurred during the course of an audit which the writer was conducting. The attorney for the client called at the office and engaged the treasurer in conversation. During their talk the attorney remarked, evidently for the benefit of the auditors, "This auditing makes me sick," a feeling which the treasurer shared. There had been occasions when I felt the same way about it, but I did not relish the remark, nor admire the spirit which prompted it. Shortly afterwards the attorney suffered financial reverses and about the same time the treasurer visited our office to ask for assistance in securing a position. So it would seem that auditors were not the only calamities of that period.

During the year 1891 The Bank of North America asked the firm to make an examination of its affairs. This was an innovation, at least for

Philadelphia. The examinations made by the National bank examiners under the limitations which then prevailed were necessarily inadequate. The management of The Bank of North America was influenced in taking this step, no doubt, by the fact that in the Spring of that year the Keystone National Bank and the Spring Garden National Bank had failed under malodorous circumstances, the failure of the latter also dragging down the Penn Safe Deposit & Trust Company. The City Controller was involved and was sentenced to imprisonment along with several officers of the two national banks. Because of these failures, and the more or less prevalent notion that the public accountant was usually "a financial coroner," the audit was conducted with the utmost secrecy, the staff entering the bank building singly near closing time and leaving during the night in the same manner. Fortunately, no suspicion was aroused and the public knew nothing of the matter until the auditors' certificate appeared in the public press. Editorials were written praising the innovation, but one public accountant, whose prominence was in inverse proportion to the length of his advertisement in the city directory, seized the opportunity for a little publicity and attacked the audit in a letter to the press as being inefficient and promising an exposition, later, of the way in which such an examination should be conducted. We never obtained the promised en-

lightenment from that quarter, however, and soon thereafter the gentleman disappeared from public notice. The policy of annual audits was continued and was later adopted by other financial institutions.

Much litigation developed as a result of the failures of the Keystone and Spring Garden Banks, and our firm was employed in connection with two or three angles of it. An amusing incident developed during suits against stockholders of the Keystone Bank to recover on their liability under the law. One attorney for a stockholder requested the preparation of a statement of the aggregate shares represented by all the stock certificates issued by the bank. It was explained to him that the statement would not mean anything, as the same stock would be included over and over again, being represented by new certificates as it passed from one owner to another. The attorney insisted, however, as he wanted it for its "effect upon the jury." We waited with some interest during the trial to see what success he would have. When he attempted to introduce the testimony in court the district attorney's representative instantly detected its nature and objected to it, with an aside to the attorney for the defendant to the effect that he "could not cheat this case through." At this the other waxed extremely virtuous and called on the judge to have the remark withdrawn, but the latter ignored the request.

Our work covered a large range

with accounts of corporations which were rated as very large for that period, on down the scale to those of a New Year's mummers' organization, the treasurer of which had misappropriated the funds which should have gone into gorgeous paraphernalia for the annual parade. While the majority of the work was for local clients and for those in contiguous territory, our assignments took us away from home on engagements in other parts of the country, including New York City.

Owing to the fact that it had not yet become the general custom to have regular audits, the dishonest employee often found it easy to cover up his peculations by very crude methods, but in some instances an individual whose accomplishments were not outstanding in any legitimate activity would work out a very ingenious method of abstraction and concealment worthy of a better cause.

In the notices of offerings of securities for sale it was rare to find any mention of accountants in connection therewith before 1890. During that year we find occasional references to the accountants who had audited the accounts of the issuing companies and sometimes their certificates would be published. This custom gradually came into more general use and the era of industrial combinations which set in during this period brought the accounting profession increasingly before the business world. However, the accountants mentioned most frequently were either British

firms or firms of British origin, which had established branches or affiliated partnerships in New York. There was good reason for this, as there was much British capital invested in this country and the investors naturally desired to have the audits and investigations conducted by accountants with British reputations. In a short time, however, several American firms established themselves in the front rank and shared in the constantly expanding activities of the profession.

Societies of Accountants

Prior to December, 1886, there had been no national or state organizations whose membership was restricted to those in public practice. In that year Mr. John W. Francis of Philadelphia called into conference Mr. Heins, Mr. Lawrence E. Brown and Mr. Charles N. Vollum with a view to forming an organization and planning for educational development in the field of accountancy. About the same time Mr. Edwin Guthrie of London, who was in the United States in connection with the affairs of his firm in New York, Messrs. Barrow, Wade, Guthrie & Company, interested certain accountants in New York in the formation of a national society. He visited Philadelphia and had a conference with Messrs. Francis and Heins, and strongly urged their cooperation in the national movement, with the result that the Philadelphia project was abandoned. The American Association of Public

Accountants was formed December 23, 1886, and incorporated August 20, 1887. While Mr. Heins became president in 1889 and served three years, whatever the activities of the Association may have been they were confined principally to the New York membership until the merger with The Federation of Societies of Public Accountants in the U. S. A. in 1905, the new organization proving to be a live institution which carried on and enlarged the work begun by the Federation.

No organization of accountants in Philadelphia or Pennsylvania was again attempted until after the passage of the New York C. P. A. bill on April 7, 1896. In May, 1896, Mr. J. E. Sterrett attempted to arouse interest in effecting similar legislation in Pennsylvania, but failed to obtain the support of all the leaders. However, he continued his efforts and with the assistance of others who became interested the Pennsylvania Association of Public Accountants was organized on March 30, 1897. Mr. Heins and his four partners became charter members, the whole membership at the close of 1897 being fifteen, and Mr. Heins became the first president. The name was changed on October 15, 1900, to Pennsylvania Institute of Certified Public Accountants.

Its first activity was an attempt to procure a C. P. A. law, but the legislature of 1897 failed to pass the bill, and it was necessary to wait two years, when the second effort was

successful, the act being signed by the Governor on March 29, 1899.

The Pennsylvania Association began the publication of a magazine, *The Public Accountant*, which was probably the first periodical exclusively "devoted to the interests of the profession" in this country. It began with the issue of October, 1898, and ended with that of June, 1900. It carried news items, not only of the Pennsylvania Association, but of the New York Society of C. P. A.'s, The American Association of Public Accountants, The National Society of Certified Public Accountants, The Massachusetts Society of Public Accountants, The Illinois Association of Public Accountants, and The Maryland Association of Public Accountants, as well as lists of members of nearly all these bodies. It is interesting to note that it ran a Students' Department, now a feature of *The Journal of Accountancy*. The early issues contain a number of letters from prominent lawyers, bankers and corporation officials endorsing the proposed C. P. A. bill and a formidable list of others who had given the movement their endorsement. The letter from the president of one of our largest manufacturing companies stating that he did not "see the necessity or justice for such a measure" seems to have been omitted. However, his corporation's accounts have been audited for a long period by certified public accountants.

One interesting feature of the magazine was the publication of

"definitions of a public accountant" and we all took part in the game. A most unique definition was given by the late Franklin Allen of New York, who wrote, "A public accountant should be a friend to the erring; a schoolmaster to the ignorant; a spur to the indolent; a warning to the trickster; an eye-opener to the wide-awake; a guide to Heaven!"

In the editorial in the January, 1900 issue are some observations which are of interest as showing the progress which the young profession was making. A quotation follows:

At no time in our history has such great prosperity been known in this country. Money is plentiful, . . . and manufactures and trade are springing into new life all over the country. The revival of interest and the great prosperity has had its effect very considerably on the accountants. The starting of new business enterprises has caused them to be retained in cases larger and more important than ever before.

The profession is slowly, but surely, forcing itself into its proper place among the other professions and is becoming more and more important each day. It is becoming known to the manufacturer, to the merchant and to the banker and financier. Such a state of affairs was comparatively unheard of up until this year, that a new enterprise, involving millions of capital, should retain a Public Accountant even before its counsel, yet such is the case, and it is not a single case either. Were we at liberty so to do, we could state case after case in which the Accountant was the trusted adviser of the promoters of the largest business combinations that the world has ever seen.

One reading this editorial might

be led to assume that the United States Steel Corporation had been in the mind of the editor, but that gigantic combination was not effected until more than a year later.

A perusal of this early publication shows that there were those at the beginning of the century who were aware of the need for progress on the part of the members of the profession. Reference is made in an editorial to the criticism of a visiting English accountant that "the American accountant does not seem to take the interest that he should in his association, and while one hears of numerous associations, nothing is ever heard of any papers read at the meetings." The editorial approved this criticism and added, "It is about time that the American accountant wakes up to the fact that the attendance on the periodic meetings of his association, the exchanging of ideas with his professional brethren, the reading and discussion of papers relating to accountancy are as much a part of his business as his periodic auditing of the books of a corporation." Fortunately, the time soon arrived when the reading and discussion of papers became a regular feature of the annual meetings.

Evening Schools for Accountancy Instruction

The need for education in accountancy, beyond that provided by the ordinary business school, was recognized from the very beginning by those who founded the Pennsylvania

Institute. While they saw the value of legislation for the adoption of standards and the regulation of the profession, it was clearly realized that only men of adequate training could be expected to measure up to the requirements of the times, and especially to the increasing responsibilities which the growth and expansion of business indicated for the future. The New York State Society of Certified Public Accountants had established evening classes in 1901, and the Pennsylvania Institute initiated a similar movement in September, 1902, under the supervision of a committee composed of Messrs. J. E. Sterrett, Chairman, Adam A. Ross, and Alfred L. Sellers. The classes met in our offices in the Stephen Girard Building on Twelfth Street. The subjects taught and the faculty were as follows:

Theory of Accounts,	R. H. Montgomery
Practical Accounting,	W. M. Lybrand
Auditing,	J. W. Fernley
Commercial Law,	H. G. Stockwell

This pioneer effort entailed much sacrifice and labor on the part of the instructors. They were compelled, so to speak, to make bricks without straw, for there was little literature dealing with these subjects, and what was available was not altogether what might be desired.

The classes were continued under the supervision of the Institute until 1904, when the work was taken over by the Wharton School of the University of Pennsylvania, the first ses-

sions under the new auspices being held September 30th of that year. One of the conditions under which the change was effected was that any deficit which might result would be made up by certain guarantors from among the membership of the Institute. From the first, however, the movement proved to be self-supporting.

National and State Societies

The members of our organization maintained an active interest in the affairs of the Pennsylvania Institute, particularly in its earlier years. William M. Lybrand served as its president, 1902-4; Adam A. Ross, 1906-8; T. Edward Ross, 1911-13, and Joseph M. Pugh, 1917-19. Among its secretaries were T. Edward Ross, 1901-2; Adam A. Ross, 1904-6, and Joseph M. Pugh, 1908-10, while Mr. Lybrand served as its first treasurer, 1897-1901, and Donald M. Russell occupied the same office for two terms, 1933-35.

An outstanding event in advancement of cooperative action among accountants was the formation of The Federation of Societies of Public Accountants in the U. S. A. The late George Wilkinson, of happy memory, was the moving spirit in this enterprise and he had the support of the leading accountants of the country. Colonel Montgomery was one of the two delegates from The Pennsylvania Institute to the meeting in Washington, D. C., on October 28, 1902, where the organization was

effected. This body was national in its activities and instilled life into the accountancy organizations of the country at large. It held the first international conference during The World's Fair in St. Louis in 1904. Delegates from Great Britain, Canada and Holland were in attendance. Our own firm was represented by Messrs. Lybrand, A. A. Ross and Montgomery, while Mr. Staub was awarded the prize for the best paper submitted by a staff member on the mode of conducting an audit. Colonel Montgomery submitted a paper on "The Importance of Uniform Practice in Determining the Profits of Public Service Corporations Where Municipalities Have the Power to Regulate Rates." I believe this was some years before the public service commission of any state authoritatively promulgated a classification of accounts for public utilities, which indicates the forward-looking nature of the paper. It is also worthy of note that a special committee was immediately appointed which reported to the Congress before adjournment and set forth certain general principles in stating earnings under the conditions dealt with in the Colonel's paper which have since become recognized as controlling in fixing rates.

The merger of the Federation and the original national body, the American Association of Public Accountants, under the latter's name, took place in 1905, and the new body continued the federation form of organ-

ization until 1916, when it was reorganized under the name of the American Institute of Accountants. Various members of our firm and organization have served as officers of these bodies. Colonel Montgomery was president of the American Association of Public Accountants for two years, 1912-14, and is now president of the American Institute of Accountants for a second year. He has had the satisfaction of seeing the fruition of his efforts, during many years past, in the merger of the Society of Certified Public Accountants and the American Institute, which was effected in October last.

Adam A. Ross served as treasurer of the Institute for three years, 1916-19. He was also chairman of the Committee on Annual Meetings in 1907-8, when the Association celebrated its twenty-first anniversary in Atlantic City, the meeting being attended by many distinguished accountants from Great Britain, Canada and elsewhere. Mr. Lybrand, Colonel Montgomery and Adam and Edward Ross have each served on the Council of the Institute and as trustees of the prior body at various times, and the latter three have served on the Executive Committee of the Institute at frequent intervals since 1907.

The National Association of Cost Accountants, organized in 1919, has been very active in the promotion of study and in the advancement of this special branch of accounting. In this society as in the others mentioned, our

firm has had a part, Messrs. Lybrand and Gee each having occupied both the offices of vice-president and president, and Mr. Marsh is at present a vice-president.

The Partnership

Our firm began its career January 1, 1898, with four partners, one assistant and one, who, to speak in present-day terms, was head and entire staff of the departments of firm accounts, time records, reports, filing and telephone operations, and covered even the duties now performed by the office boys. Beginning with a few clients in Philadelphia and in more or less contiguous territory, the practice gradually increased in volume and reached further afield. Private Montgomery (Spanish American War) began to feel the need for more room for his activities, and recommended that we open an office in New York. Possibly he was somewhat provoked to see some Philadelphia concerns, when preparing to offer their securities to the public, going to the larger New York firms for their accounting service. It was to be expected that a firm with a national reputation and a widely distributed organization would have the preference in such cases. At any rate, the proposition was approved and Mr. Montgomery opened the New York office in September, 1902. This step proving successful, it later became necessary to open offices in other cities to meet the needs of clients with widespread interests, so

that today we have twenty-one offices in this country and three in Europe. Our old Chief in his more enthusiastic moments predicted that in time he would see a staff of fifty. He did not anticipate the time when a single engagement would require more than that number.

The exodus from Philadelphia to New York, which set in in 1902, has since included Messrs. Lybrand, Staub, Gee and Schaffer among the partners, while Philadelphia has supplied partners for other offices, viz.: Mr. Keast to San Francisco, Mr. Guy to Cincinnati, Mr. Marsh to Pittsburgh, and Mr. Russell to Detroit. Aside from this, many members of the staff have been drafted for other offices, so that the parent office is well represented throughout the organization. In the Philadelphia office the resident partners, Messrs. Pugh, Hood, Drabenstadt, Fischer, Haas and Metzler, have all received their training in the same office.

Staff Training

The education of the younger members of our organization has always been a policy of the firm, and courses of study have been prescribed for them under supervision of a partner or a managing senior. This has enabled those who graduated from minor office positions or from the typing department to make more rapid progress when they were assigned to staff duty, and a continuation of study prepared them for advancement to positions of increased

responsibility. But as the staff increased throughout the years, it was realized that although the additions to it were carefully selected graduates of recognized schools of accountancy, in most instances there was a gap between the training received in college and the practical knowledge required of a junior assistant in the progress of an audit or investigation. It sometimes transpired that a staff member, after having been employed for two or three years, would be ignorant of some rather primary but essential matter, because it had not chanced to come within the sphere of his previous work. Very often the matter had been covered in the office manual with which everyone was supplied, but the reader failed to remember it or to realize its importance. After giving considerable thought to the problem, we decided to institute an intensive course of study during the summer under the direction of an experienced senior, with instruction by other members of the staff from time to time on banking and brokerage accounts, manufacturing, utilities, mining, etc., so as to cover as nearly as possible all forms of accounts with which a junior is likely to come in contact. The instruction is intended to be of a practical nature, actual sets of books of defunct concerns being used, as well as the various blanks and forms used by the firm in its work. The course includes definite instruction in the accountant's relation and responsibilities to his own firm and to clients

and their officers and employees, and the confidential nature of the work with which he is intrusted. The need for care and exactness in all work is insisted upon, as well as the necessity for a wide-awake attitude, even in matters which may seem of minor importance, but which often furnish a clue to information of great significance.

As the students in this school are upon the firm pay roll for about five months before being assigned to work, and as the seniors in charge of the school cannot be used on productive engagements during the school term, the initial cost of this training is not negligible; but the results in a more competent staff and the more rapid progress of its members justify the expenditure.

The first school in 1916 consisted of two members, Mr. Clarence R. Haas, now a partner, and Mr. Fred C. Dennis, of our Cincinnati office. The Great War interfered with the operation of the school early in its career, but it was resumed as soon as circumstances permitted. The recent depression prevented additions to the staff for a time and the school activities were temporarily interrupted, but have since been resumed.

Conclusion

It has been a privilege to have witnessed the development of a profession which has come to its present prominence in an amazingly short period of time; a position which is a testimony to the foresight, integrity,

courage and ability of those men who laid the foundations of public accountancy in its early years; foundations upon which they and their successors have built an expanding structure to meet the needs of the complex financial and political society of our day. It seems a far cry from the obscurity of the day of small things to this time, when accountancy is written into Federal statutes, and government departments have adopted accounting policies which received scant consideration when advocated by the prophets of an earlier generation.

During this period we have seen many invasions of the realm of accountancy by those who claimed to have discovered the panacea for all business ills, but after much "barking" and beating of tom-toms they have disappeared. Some years ago we were more or less agitated over the advent of audit companies with boards of directors composed of prominent bankers and business men, but this is not among our worries of today. It has been found that engineering and appraising, while having many points of contact with accounting, belong to another field, and do not fuse satisfactorily with accounting in one organization.

The interest in cost accounting attracted the attention, not only of those skilled in accounting, but also men whose understanding of the functions of accounts was limited. Systems were designed which were theoretically correct, but so elaborate and

involved that frequently the product was sold before the manufacturer learned what his costs were. In some instances it seemed almost as if the thought behind the system was that the plant was built, not for profit, but in order to operate a cost system. Other systems were installed that rendered the main accounting records useless. Instances occurred where the main accounts were overlooked and a cost system installed which was a thing apart, like a fine bridge without approaches. But in any new field of endeavor there is always a period of experimentation, and, while the perfect system of cost accounting is yet to be found, great progress in this department has been made.

Among the most pleasant of experiences have been the friendships that have been made among the members of the profession. In the days when our Pennsylvania Association was young and the membership small, and all working for a common cause, we came to know each other well and to form enduring attachments. Many of these live now only in memory, for most of the "boys of the old brigade" have passed on, but we cannot forget their deeds and their fine qualities. In point of service, I am, I think, the oldest of those who remain of our Philadelphia group, but my friend Robert B. Vol-lum claims seniority so far as length of days is concerned. Through activities in connection with the American Institute came acquaintance with

many fine accountants living in all parts of this country and abroad, men whom it has been a privilege to know.

There are, of course, within the profession as in other walks of life, a few men with predatory instincts whose methods are not to be admired. These pursue their way, sometimes with considerable success, but when they pass it might well be recorded of each of them, as of a certain King of Judah, that "he departed without being desired."

And in conclusion I wish to record my appreciation of those with whom I have worked for so long a time. It has been a pleasure occasionally to meet with a former member of our staff who has spoken in appreciation of the understanding which prevailed throughout the organization that definite standards of work and character must be maintained. I think that this is a tribute to the men with whom I

have been associated, who have always tried to live up to the most exacting standards of their profession.

It seems to me our firm has been unusually fortunate in that in the thirty-nine years of its history, but four partners have been claimed by death, Albra W. Sharp, shortly after his being made a partner; Adam A. Ross, Walter S. Gee, and Richard Fitz-Gerald. Very few deaths have occurred in the Philadelphia staff, and I think this statement applies to the other offices.

We cannot forecast what lies in the future for the profession in which we all have such a vital interest, but we know that the same standards of integrity and service under which it has so far progressed will be adequate for any new developments which lie ahead.



Friendly Tributes

In the early issues of our *L. R. B. & M. JOURNAL*, back in the year 1920, I wrote of the founding of our firm in 1898 and of that earlier period when the four of us were a part of Mr. Heins' organization and later on his partners.

I wrote then, "The firm of Lybrand, Ross Bros. & Montgomery was formed January 1, 1898. Its members were William M. Lybrand, T. Edward Ross, Adam A. Ross, and Robert H. Montgomery. They had been friends and co-workers for almost ten years prior to that time, so that thirty years or more have passed since they began their business careers together. The ties of friendship established so long ago have continued to strengthen during the intervening years, until the name of the firm, in which all of their names are joined, and which has continued unchanged for so many years, has become to them a symbol of that unchangeable regard in which they hold each other."

Seventeen more years have gone by since that was written. One of our partners—Adam A. Ross—has passed on, the three of us remain. That unchangeable regard of which I wrote has strengthened with the passing years. But it is too formal an expression—deep, sincere, warm affection more nearly portrays the feeling we cherish for each other.

I wish I could remember the very first meeting with Edward. Possibly it was a casual introduction by Mr. Heins, or perhaps we just bumped up against each other in the office. He had been there with Mr. Heins before I arrived, he knew the ropes, and I am sure he helped me to avoid some of the pitfalls that otherwise I might have fallen into in that office ruled with a rod of iron.

All of us value friendships; as the years go by, they seem to me more and more to be the most precious of our possessions. We take things very much for granted in our daily life, but when some occasion leads our thoughts away from the usual channels, we review the past, and there comes to us an added realization of the happiness of a life-long association with those we cherish. And so it is on this fiftieth anniversary of Edward's entrance into the accounting field.

It must be a gratification to him to look back over his work in that profession. It has always been characterized by an observance of the highest ideals. It has won him the respect and regard alike of clients and of fellow accountants. It is a record of which anyone might well be proud. His review of these fifty years as they relate to the development of accounting will be read by all with great interest.

WILLIAM M. LYBRAND.

I met Edward nearly 48 years ago, when I entered the profession as an office boy. By that time he was a full-fledged accountant. We had no seniors and juniors in those days—just accountants and one office boy. In times of stress the office boy was called in to help the accountants. Probably, I was the first real junior accountant.

My lower social status was overlooked in those days. Seniors mingled freely with office boys after office hours. Edward had a magnificent voice, but was a bit shy about acknowledging it. I had no voice for singing, but I found that Edward's voice was a great asset to me. I wangled choice parties at which everyone was entranced by Edward's singing and I shone in his reflected glory and mixed freely with the best-looking girls.

I thought it would be easy to mention some of the high spots in Edward's career. But I find myself in the position of the old lady who said that the sermons of her preacher always were above his average and never below it. *All* of Edward's spots were high. He always was above his average.

Curiously enough, this is the first

time I have stopped to think about our relationship. I have always taken it for granted. When I met him I took it for granted, as did everyone else, that he was a good accountant, a natural. Since that first day I have found that clients and office associates alike also just took it for granted that no one could be a more skillful accountant than he was and is.

And now I find that in all these years I have just known that when I met him he became and has remained a very dear friend. It is the most precious thing in life. So I can't exactly remember all that has happened since we met.

We together have shared poor days and better days, troublesome nights and plenty of worries, differences of opinion (probably, although I can't remember any), but from the day I met him 48 years ago until this present moment we have never exchanged a cross word nor thought one.

I am thankful for a friend and partner who has been so patient and forbearing. Frankness requires me to admit that I haven't always been patient and forbearing with others.

To know Edward is to love him.

ROBERT H. MONTGOMERY.



The Golden Anniversary Dinner

By WALTER A. STAUB

The dinner given by Mr. Joseph M. Pugh and Mr. John Hood, Jr., on Tuesday, January 26, 1937, in honor of Mr. T. Edward Ross, and to celebrate the Fiftieth Anniversary of his becoming a public accountant, marked one of the outstanding events in the life of Mr. Ross and in the history of the firm of which he was one of the founders. Indeed, it is not overstressing it to say that it also marks a point in the history and development of the profession of public accounting in the United States of America for, by an interesting coincidence, the entrance of Mr. Ross into the field of public accounting fell in the same year as the organization of the American Association of Public Accountants.

Although the public practice of accountancy in the United States began somewhat earlier than 1887, the organization of the Association (the immediate predecessor of the American Institute of Accountants) was the first definitely fixed historical event in the recorded history of the profession in this country. Interesting, indeed, is it that the professional life of the one who was honored on this occasion should cover this long period which has been so fruitful in the development and progress of the profession. Despite these many years of practice, it might be said of him as of Moses, when he had led his

people to the borders of the promised land, that "his eye was not dim, nor his natural force abated."

All the members of the firm and their wives, and the members of the Philadelphia office staff and their wives, had been invited, and it was a happy group of almost two hundred people who gathered to do honor to Mr. Ross and to express their heartfelt congratulations and good wishes. None of those present will ever forget the occasion, for it will remain a significant one in their memories through the years.

The dinner was given at that long-established Philadelphia institution, the Bellevue-Stratford Hotel. It lived up to its reputation in the fullest sense of the term, and, if Samuel Johnson was right in the statement ascribed to him in the inscription on the walls of the Cheshire Cheese in London that no man confers a greater boon on humanity than he who establishes a good eating place, "the Bellevue" may be regarded as having made a real contribution to the success of the occasion.

Mr. Lybrand, who will also have completed fifty years of service in our profession during 1937, though later in the year, was naturally the toastmaster. His introductory remarks as he told in reminiscent vein of the early experiences of himself and his fellow L. R. B. & M. found-

ers in the office of that pioneer accountant and pathfinder, John Heins, and the manner in which he conducted the remainder of the informal program of the evening, gave evidence, not only of long and arduous work together with Mr. Ross through their half century of professional association, but also of their fine and rare friendship through the years.

Twenty members of the firm were present. Those who were absent were for the most part prevented from attending by considerations of distance. Colonel Montgomery telegraphed Mr. Ross as follows from Florida:

Much to my regret, I am not able to be with you in person to-day, but neither weather nor distance interferes with the happy memories running through most of the fifty years of our association. Nell joins me in love and best wishes to you and Adelaide. Come down soon.

Mr. Keast, who received his accountancy training in the Philadelphia office under Mr. Ross' direction, with that expansiveness characteristic of California, sent the following radiogram from San Francisco:

Congratulations on your fiftieth anniversary as an accountant and best wishes for the next fifty years. Regret exceedingly that Edna and I cannot be there to-night.

Los Angeles office, the locale of Mr. Gibson, sent its felicitations in tangible form, consisting of a huge box of candied fruits and other California delicacies.

Although in these days of super-

speed by both air and rail Chicago is almost closer to Philadelphia than York or Lancaster were in Colonial days, nevertheless the pressure at the Chicago office was such that Mr. Homer Miller was unable to spare the time to come to Philadelphia for the celebration. He sent the following telegram which expressed well the feeling that all of us have that Mr. Ross has made an invaluable contribution to the maintenance of high ideals both in the practice of our own firm and in the profession at large:

I extend to you my heartiest congratulations on the fiftieth anniversary of your becoming a public accountant. Your generous contributions toward the success and high standards of accountancy have been a great inspiration to our organization as well as to the entire accounting profession. My very best wishes for your continued success and happiness.

A cablegram from our London office gave a hands-across-the-sea aspect to the anniversary celebration:

European offices join in warmest congratulations on grand half-century record.

From Cincinnati, which has been going through such trying days because of the unprecedentedly disastrous floods on the Ohio River, came the following telegram from Mr. and Mrs. Guy:

Circumstances have prevented our personally attending the festivities of the evening, but we will be there in spirit. To you belongs a justifiable pride of achievement on the fiftieth anniversary in your profession, but more particularly should you be proud of the manner of

achievement over the years. To us who have for a considerable number of those years been privileged to work with you now belongs the honor of expressing our admiration of you and your work and raising a mythical glass as a toast in recognition of your success and expression of our best wishes for your health and happiness.

Mr. Schaffer reported at this point that he had been in telephonic communication with Mr. Guy during the day. The latter was at the time of telephoning in our office on the thirty-eighth floor of the Carew Tower, and stated that the building was without light, heat, water or elevator service. It was stated that Mr. Dennis, who lives only eight minutes' travel time from the office under normal conditions, was so effectively cut off from the Cincinnati office that it would require a detour of some 130 miles to get there. It is a tribute to the efficiency of the operation and foresight of the telephone system that, in spite of such conditions and the almost complete breakdown of some other public services, it has been able to maintain telephone service up to this time.

Mr. Warren, from the other end of the Buckeye State, which has fortunately been spared the devastating flood experience, sent a letter reading as follows:

The entire staff of the Cleveland office joins me in sincere and hearty congratulations upon your completion of fifty years of service as a public accountant.

I am sure that this anniversary will give you a deep sense of satisfaction be-

cause the fifty years, which it marks, have been so full of worthwhile achievement.

One of the members of the Philadelphia staff, Henry S. Kreider, who was prevented from attending the dinner because of an urgent out-of-town assignment, summarized succinctly the significant features of Mr. Ross' professional accomplishments:

Congratulations upon your fiftieth anniversary of accountancy practice and leadership.

The following communication from the Secretary of the Pennsylvania Institute of Certified Public Accountants was also read to the gathering:

Let me convey to you my congratulations and felicitations on the Fiftieth Anniversary of your entrance into the Profession of Accountancy in the Commonwealth of Pennsylvania.

I extend the hope and wish also that you may have many more years of health, prosperity and contentment as a highly respected citizen and as Dean of the Accounting Profession in Pennsylvania.

This tribute to Mr. Ross' wider service to the profession, coming as it did from the organization of which Mr. Ross was a charter member, was especially appreciated.

As one whose friendship with the founders of our firm began through service with them in Mr. Heins' office, Mr. Pugh was naturally the first one to be called upon by the toastmaster to express his feelings on this occasion. He, too, reminisced about the early days, when, in spite of

many changes since in accounting technique and procedure, diligent and strenuous work was the order of the day just as now. Several side experiences of that time brought forth that laughter and enjoyment which Mr. Pugh's apt and well-timed remarks invariably evoke. He told, too, of the heavy responsibilities resting upon him when for a short time following the organization of L. R. B. & M., he was the entire "staff." His felicitations, as indeed those of all the speakers, indicated how highly valued had been the friendship with Mr. Ross through the years.

Mr. Russell, another alumnus of the Philadelphia office, had come the farthest to attend the anniversary dinner. Reference was made to the fact that he is now in a community where history is being made in the development of the relations between labor and capital. He commented briefly on conditions in Detroit as he has been learning about them since the present strife has been under way, and then expressed his congratulations to Mr. Ross on his past accomplishment and wishes for good health and happiness in the days and years ahead.

Switching from the Middle West to the Atlantic Coast, Mr. Sweet made use of an allegory derived from observation on a trip through Vermont to express his conviction that attainment to the present-day status and prestige of our firm was evidence of the high ideals, fine planning and intelligent and effective workmanship

of Mr. Ross and the other founders. He was followed by still another alumnus of the Philadelphia office, Mr. Schaffer, at one time resident partner in Baltimore, and for the past two years at the New York office, who emphasized the privilege he felt had been his in receiving his accountancy training under the supervision of Mr. Ross.

Recognition of the long years of efficient service rendered the firm by Miss Lilian A. Ross was given by Mr. Lybrand's well-phrased and complimentary remarks. Her quiet, unassuming work in the office may have been much less spectacular than that done by others working more directly in the client's line of vision, but it has nevertheless been a valuable element in the maintenance of a smoothly functioning organization and in the practical application to our own affairs of those sound business principles which we enjoin upon our clients. Without such support and cooperation from Miss Ross, and others doing work similar to hers, the partners could not carry on as effectively in the day to day activities of the firm.

At this point the staff of the Philadelphia office came to the fore through the reading by one of its members, Mr. Walton H. Troyer, of a poem, entitled "Fifty Years—That Is a Span of Life for Many a Man," which appears on another page of this issue of the JOURNAL. It showed that Elbert Hubbard was wrong when he described the typical auditor

as "... cold, calm, and damnably composed as a concrete post or a plaster of paris cast; a human petrifaction with a heart of feldspar and without charm of the friendly germ, minus bowels, passion or a sense of humor. . . ." The writing of this poem for the anniversary occasion showed Mr. Troyer to be not merely a person of efficiency and keen observation, but also a man of soul and sentiment. It qualifies him for association with that member of the profession in Merrie Old England who wrote the little volume captioned "Songs of a Chartered Accountant." As will be seen from a reading of the poem, it also served as a vehicle for expressing to Mr. Ross the esteem and affection of the Philadelphia staff, which was evidenced in tangible form by the presentation to him of a beautiful English silver waiter of irregular gadroon border design. It has engraved on it the following inscription:

1887	Presented to T. EDWARD ROSS by the Philadelphia Office of Lybrand, Ross Bros. & Montgomery as a Token of Sincere Admiration and Affection on the occasion of his Fiftieth Anniversary as a Public Accountant January 26	1937
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Reference had been made by several of the speakers to the aid and support which Mr. Ross had received from his good wife in carrying on his life work and in maintaining it on a

high plane. That this thought met with the cordial approval of the Philadelphia staff was also tangibly evidenced when Mr. Troyer handed her a lovely bouquet of American Beauty roses and read to her the following lines:

Mrs. Ross, will you rise, too?

We also have a gift for you.

Each man lives a finer, grander life

When wedded to a kind and charming wife.

As Mrs. Ross is more than thoses

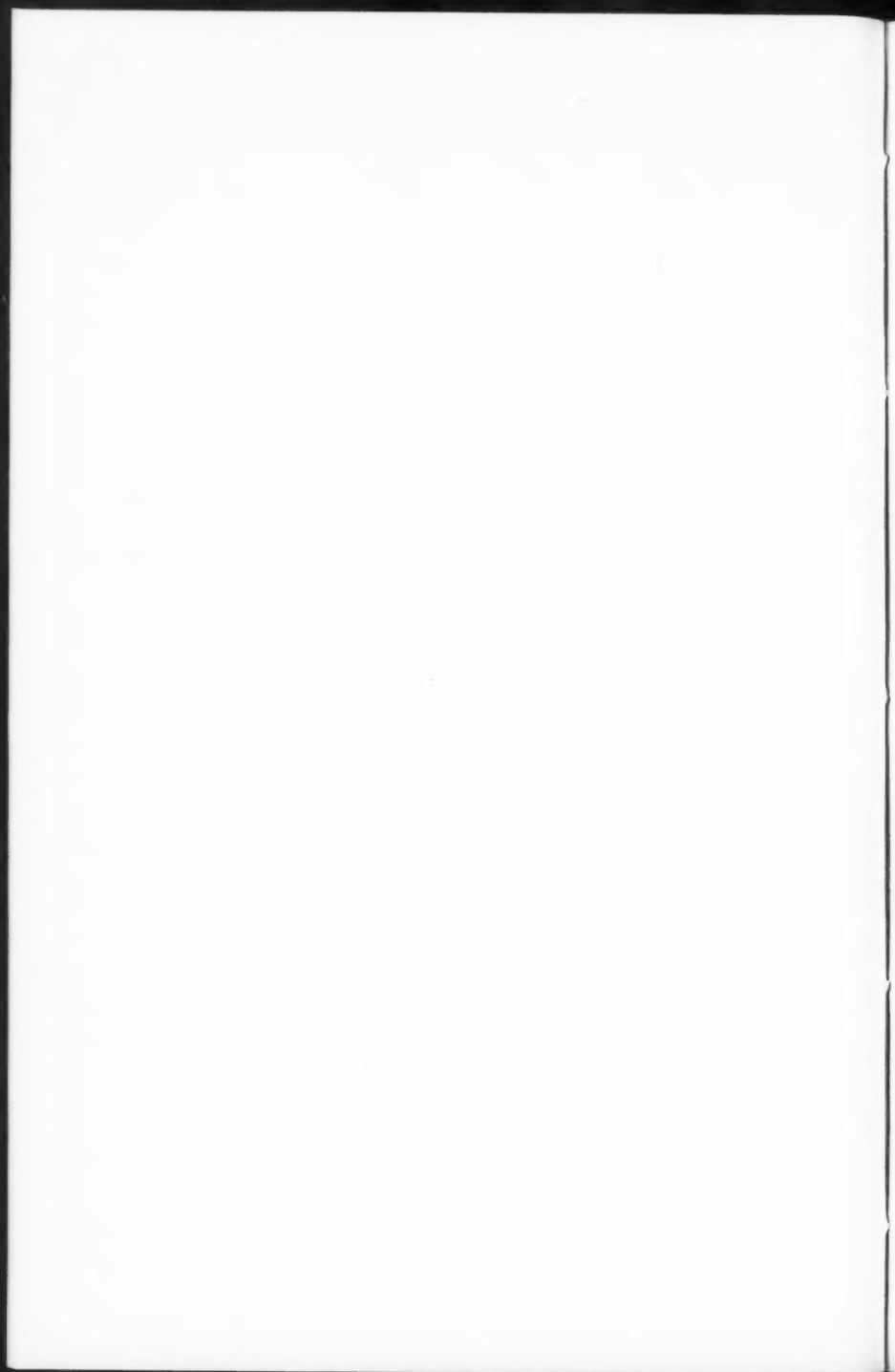
The staff presents her with these roses.

Messrs. Fischer, Keller and Staub spoke on behalf of the partners at the Philadelphia, Boston and New York offices. Mr. Fischer referred to his contact with Mr. Ross immediately upon entering the Philadelphia office, and the training which he and other partners at Philadelphia had received under the guidance of Mr. Ross. Mr. Keller, with his usual grace and aptness, spoke the fitting word and lived up to his conviction that any speech more than three minutes long is a bad speech.

Mr. Staub ventured a few brief stories of which he had been "reminded" by Mr. Pugh's remarks and by Mr. Troyer's poem; he referred to his indebtedness to Philadelphia, the city of his birth, education and early training in accountancy; he went on to illustrate the effectiveness of the training in simple but essential fundamentals which he received at the hands of Mr. Ross during his early days in the Philadelphia office; he expressed his sense of satisfaction



English Silver Waiter presented to Mr. Ross
 by the Philadelphia Office Staff



that Mr. Ross had made so large a contribution to the founding and up-building of our firm and also to the remarkable development of the profession at large; and he concluded by expressing the congratulations, affection and good wishes of the New York office.

In addition to the gifts already mentioned, Mr. Ross was presented by the partners with a gold pen and pencil set (which might well serve as a reminder that when he first entered Mr. Heins' office fifty years ago reports were still being written by hand, the typewriter being at that time a relatively "new-fangled" invention); a gold instrument which is a combination of pencil and perpetual calendar (which might be regarded as emphasizing the importance of time and its efficient use in the work of the accountant); a silver inkstand bearing a crest and a London hall-mark of 1792, with glass containers as used in that day for ink, shot (holder for quills), and sand (for blotting), respectively; and a bird in white jade mounted on teakwood (the Chinese omen of long life and happiness).

Finally, Mr. Ross was given the opportunity to be heard. He stated that he was overwhelmed with all that had been so graciously said concerning his work for the firm and the profession during the past fifty years, and with the gifts which had conveyed in such generous fashion the goodwill and affection of those with whom he had been associated for so

long. He had difficulty in believing that all the fine things said could really be so, and he had been listening all evening for that significant word "but," which frequently introduces the reservations and qualifications after the complimentary opening statement when people are discussing some one. The "but," however, had not been forthcoming and he could only feel that others did not know his limitations as well as he knew them himself.

It was but natural that Mr. Ross should also indulge in some reminiscences of those days of half a century ago and of his early association with his co-founders of our firm. He spoke of a pilgrimage he had made the day before to that part of the city where Mr. Heins' office was located when he entered his employ. He visited the room on the second floor of 235 Dock Street, then went to the Bullitt Building on South Fourth Street, which, at the time Mr. Heins took offices in it, was considered one of the finest office buildings of that time, but has been long since outclassed by more modern buildings, and finally went to 508 Walnut Street, which was the location of Mr. Heins' office at the time Messrs. Lybrand, Edward and Adam Ross, and Montgomery withdrew from partnership with Mr. Heins to form the firm of Lybrand, Ross Bros. & Montgomery on January 1, 1898.

He referred to the westward movement of business in Philadelphia

which had been exemplified in the successive locations of our Philadelphia office, first in the Stephen Girard Building (on South Twelfth Street between Market and Chestnut Streets), then in the Land Title Building (Broad and Chestnut Streets), later in the Morris Building (on Chestnut Street between Broad and Fifteenth Streets), and now in the Packard Building (Fifteenth and Chestnut Streets).

Mr. Ross spoke of the part which he believed the home background of the founders of the firm had played in endowing them with the principles, ideals and integrity of purpose on which they had sought to base the firm's practice and in the spirit of

which they and those who had since joined forces with them, whether as partners or as staff members, served its clients.

At the conclusion of Mr. Ross' remarks, all present joined in the singing of "Auld Lang Syne" with a renewed determination to continue to exemplify in their individual lives and in the work of the firm those qualities and virtues of service, intelligence, efficiency, thoughtfulness, resourcefulness and high ideals which have combined to make Edward Ross' contribution of fifty years to our profession and our firm so rich in accomplishment. May many more years of happiness and good health await him and his helpmeet!



Fifty Years—That Is a Span of Life for Many a Man

By WALTON H. TROYER

(Philadelphia Office)

How does a man spend fifty years?
In seeking wealth? In fret of fears?
Aye, some of us so use our lives
Forgetting there's a greater prize.

Not so with our T. Edward Ross,
This man to whom we look as "boss";
His talents, money and his time
Have been well spent in every clime.

Talents

Leadership in various ways—
Quick decisions, no delays;
Keen mind in working out solutions
For Presbyterian institutions.

Money

Etchings, Bibles, first editions,
Books on health, golf and nutritions.
We know he's been benevolent—
Because through him we've paid our rent.

Time

He's worked on books of charity
And often would not charge a fee.
We've seen his watch chain twirled and
twirled—
By now it's traveled 'round the world.

His age reflects the fount of youth;
His garden and his golf, forsooth,
Keep him in trim;—his low golf score
Is not like mine—one seventy-four!

Many things change in fifty years—
Santa still comes, though not by rein-
deers;
But whether it's horses and buggies, or
autos so grand,
The driver's the same, he still steers with
one hand.

So, Mr. Ross, while this long rhyme
Has taken up a lot of time,
We hope you'll pardon all of us
For almost causing you to cuss.

We hope that your life will be spared—
(We would predict it, if we dared),
One hundred years, like Rockefeller,
And of useful years, like Helen Keller.

Mr. Ross, if you'll please rise,
We want to give you a surprise.
On behalf of the staff
May I present you with this tray;
'Tis not for corn or oats or hay,
But for that famous English *tae*
And toast, that you consume each day.



Mr. Ross has seen the profession of the public accountant advance from its humble early stages (when the relatively few people who had even heard of a public accountant thought of him primarily as an expert book-keeper or arithmetical shark who could add simultaneously several columns of figures) to a recognized position of great importance and responsibility in the business and financial world.

The older members of our organization are familiar with the history and development of our firm and those wishing to acquaint themselves with it will find some record in the series of historical articles by Mr. Lybrand in the earlier volumes of the *L. R. B. & M. JOURNAL* (which the firm began publishing for our organization in 1920) and in the special issues of the *JOURNAL* which were devoted to the Twenty-fifth Anniversary and Thirty-fifth Anniversary of the founding of our firm. It may not be equally well known how active a part Mr. Ross has had in the wider work of our profession.

Ever since the organization in 1898 of The Pennsylvania Association of Public Accountants (after passage of the Pennsylvania C. P. A. law in 1899 the name was changed to Pennsylvania Institute of Certified Public Accountants) of which he was a charter member, Mr. Ross has been active in its affairs and in any movement for the protection and advancement of the profession in that state. He served as secretary of the Penn-

sylvania Institute in 1901 and 1902. From 1909 to 1911 he was its vice-president, and during the period from 1911 to 1913 he occupied the office of president. He was a member of council from 1900 to 1904, from 1908 to 1910, and from 1918 to 1920.

He has served on many of the Institute's committees (frequently as chairman) at different times, including such important committees as those on professional ethics, legislation, and cooperation with bankers. On the occasion of the celebration of the twenty-fifth and thirtieth anniversaries of the Institute, Mr. Ross served as chairman of the committee on arrangements and as toastmaster. At the present time he is chairman of the committee which is arranging for the celebration on April 6, 1937, of the fortieth anniversary of the organization of the Institute.

In the national interests of the profession Mr. Ross has also been active. He has served as an officer and on many committees (frequently as chairman) of the work of the American Institute of Accountants and of its predecessor, the American Association of Public Accountants, the fiftieth anniversary of which will be celebrated in the fall of this year. He was vice-president of the American Institute for one term and has served numerous times on its executive committee. When the Institute held its annual meeting in Philadelphia in 1931, he served as chairman of the committee on arrangements.

Mr. Ross has also contributed to

the literature of the profession by occasional articles for *The Journal of Accountancy* and other publications. At the request of the editor, he has written the leading article for this issue of our JOURNAL. In it he gives some recollections of his half century of professional life. It is an important contribution to the historical records of our firm.

His fellow workers in the L. R. B. & M. organization who have shared his stimulating friendship for so many years take pride in his record of achievement and join in wishing for him many more years of satisfying activity and of happiness.

Publications

During December there came from the press the 1936-37 editions of Colonel Montgomery's *Federal Tax Handbook* and of *Federal Taxes on Estates, Trusts and Gifts*, the latter of which was written in collaboration with Roswell Magill of the New York Bar, who has just been appointed Under Secretary of the Treasury. As described by the publishers, the books combine the legal and accounting viewpoints at every step, counsel on the application of

each tax, make specific recommendations of procedure, and give trustworthy interpretations of new or doubtful provisions of the law.

It is interesting to note from the latest catalogue issued by Ronald Press Company the following contributions to the literature of the accountancy profession by members of our firm and its staff, in addition to the works named above:

Budgeting, by Prior Sinclair;

Auditing Principles, by Robert H. Montgomery and Walter A. Staub;

Auditing Theory and Practice, by Robert H. Montgomery;

Federal Tax Practice, by Robert H. Montgomery;

Retail Merchandise Accounting, by Hermon F. Bell;

Wills, Executors and Trustees, by William J. Grange, Walter A. Staub and Eugene G. Blackford;

Accountants' Handbook, Cost and Production Handbook, Financial Handbook (the last named edited by Robert H. Montgomery).

Various members of our firm and of its staff are named in the foregoing handbooks as contributing and consulting editors.



Notes

The *N. A. C. A. Bulletin* made the following report on the November 16th dinner meeting of the Providence Chapter of the National Association of Cost Accountants at the Metacomet Golf Club:

Walter A. Staub, partner of Lybrand, Ross Bros. & Montgomery, was the speaker of the evening. His subject was "Tax Problems" and he gave a splendid discourse. He discussed the new 1936 Act and pointed out that an effort had been made for a number of years to put into effect an undistributed profits tax. In the questions which were asked following the main talk, the members and guests realized some of the problems in interpretation of so far-reaching a law. There is no question but that many of the debatable points will go to the Board of Tax Appeals or even to the Supreme Court for decisions as to procedure and assessment.

On November 30 Mr. Staub addressed the Illinois Society of Certified Public Accountants at a dinner meeting held at the Union League Club in Chicago on the subject of "The Revenue Act of 1936."

"Corporate Policy Trends Resulting From the Undistributed Earnings Tax" was the subject of Mr. Staub's address at a meeting of the American Management Association at the Waldorf-Astoria Hotel in New York City on December 3.

On December 17, at a dinner meeting of the Newark Chapter of the

N. A. C. A., he spoke on "The 1936 Federal Income Tax."

The Twelfth Michigan Accounting Conference was held at Michigan State College on November 6th, under the joint sponsorship of the college and the Michigan Association of Certified Public Accountants. Mr. Edward J. Barr of our Detroit staff, the president of the Association, presided at the banquet. Mr. Robert E. Warren, our partner at Cleveland, spoke on "Modern Requirements for Financial Statements."

On October 28th, Mr. William D. Buge spoke on the subject of "Federal Taxes" at the meeting of the Chicago Stamp Manufacturers' Club, which is a division of the National Stationers Association. At the same meeting Mr. H. C. Hawes spoke on the subject, "Accounting Problems Arising Under the Robinson-Patman Act." Mr. Buge also addressed the Electrical Credit Association Central Division on November 20th, at the Bismarck Hotel in Chicago, on the subject of "Surtax on Undistributed Profits." Interesting discussions followed all three of these talks.

On October 21st Mr. E. E. Wakefield, Jr., addressed the Boston unit of the Controllers Institute of America on the undistributed profits tax.

Lybrand, Ross Bros. & Montgomery

Offices

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PHILADELPHIA	Packard Building
CHICAGO	231 South LaSalle Street
BOSTON	80 Federal Street
NEWARK	744 Broad Street
BALTIMORE	First National Bank Building
WASHINGTON	Investment Building
PITTSBURGH	Union Bank Building
DETROIT	Book Building
CLEVELAND	Midland Building
CINCINNATI	Carew Tower
LOUISVILLE	Heyburn Building
SAINT LOUIS	411 North Seventh Street
ROCKFORD	321 West State Street
ATLANTA	Healey Building
DALLAS	First National Bank Building
HOUSTON	Shell Building
SAN FRANCISCO	2 Pine Street
LOS ANGELES	621 South Spring Street
PORTLAND	Porter Building
SEATTLE	Skinner Building

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